

## Message Text

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11

ACTION L-03

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-04 H-02

INR-07 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 EB-07 NRC-05 TRSE-00 ERDA-05 COME-00 OPIC-03

MC-02 /081 W

----- 041063

R 170735Z NOV 75

FM AMEMBASSY PRAGUE

TO SECSTATE WASHDC 9183

LIMITED OFFICIAL USE PRAGUE 2922

E.O. 11652: N/A

TAGS: BGEN, PFOR, PINR, CZ

SUBJECT: BRIBERY OF FOREIGN OFFICIALS BY U.S. FIRMS OPERATING  
ABROAD

REF: STATE 258169

1. FOREIGN TRADE IS A STATE MONOPOLY IN CZECHOSLOVAKIA.  
FOREIGN TRADE CORPORATIONS, UNDER POLICY CONTROL OF FEDERAL  
MINISTRY OF FOREIGN TRADE AND STATE PLANNING COMMISSION,  
EITHER EFFECT OR CONTROL VIRTUALLY ALL IMPORTS. NUMEROUS  
TRIALS OVER PAST FEW YEARS OF FOREIGN TRADE OFFICIALS, EITHER  
FOR OUTRIGHT ACCEPTANCE OF BRIBES, OR FOR DIVULGENCE OF INSIDE  
INFORMATION THAT CAN HELP A PARTICULAR FIRM EXPORTING TO  
CZECHOSLOVAKIA, PROVIDE AMPLE EVIDENCE THAT BRIBERY AND  
CORRUPTION ARE ONGOING PROBLEMS OF SERIOUS CONCERN TO  
CZECHOSLOVAK GOVERNMENT.

2. THERE IS THE OBVIOUS PROHIBITION AGAINST GIVING OR  
ACCEPTING KICKBACKS IN EXCHANGE FOR BUYING A PARTICULAR  
FIRM'S PRODUCTS -- VIOLATIONS ARE PROSECUTED UNDER STATUTE  
ON THEFT OF STATE PROPERTY AND SENTENCES CAN BE SEVERE.  
(IN JUNE, 1975, THE COMMERCIAL DIRECTOR OF TECHNOEXPORT  
FTO, BRATISLAVA, RECEIVED A 13-YEAR SENTENCE FOR KEEPING,  
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RATHER THAN TURNING OVER TO HIS COMPANY, A SPECIAL REBATE.)

OFFICIAL SECRETS ACT RESTRICTS SEVERELY ABILITY OF FOREIGN TRADE OFFICIALS OR EXECUTIVES OF MANUFACTURING ENTERPRISES TO DISCUSS CANDIDLY PRODUCTION DATA, TO REVEAL PLANNED LEVELS OF IMPORTS, TO DIVULGE EXACT DETAILS OF FIVE-YEAR PLANS TO FOREIGNERS, PARTICULARLY TO WESTERNERS. ALSO, BY LAW, CZECHOSLOVAK CITIZENS ARE REQUIRED TO TURN IN TO STATE BANK WITHIN 48 HOURS ANY HARD CURRENCY THEY ACQUIRE. THESE TWO STATUTORY RESTRICTIONS AND REQUIREMENTS, THOUGH NOT DESIGNED EXPRESSLY TO GOVERN ACTIVITIES OF AGENTS IN FOREIGN TRADE, IN FACT DO SO IN ABSENCE OF SPECIFIC PUBLISHED LAW LAYING DOWN THOSE ACTIVITIES IN WHICH AGENTS MAY OR MAY NOT ENGAGE, APART FROM BRIBERY.

3. EMBASSY WILL POUCH COPY OF CZECHOSLOVAK PENAL CODE TO L/PM.  
PERRY

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** POLICIES, BRIBERY, GOVERNMENT PERSONNEL, BUSINESS FIRMS, COMMERCIAL LAW  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 17 NOV 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975PRAGUE02922  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
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**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750399-0663  
**From:** PRAGUE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19751136/aaaabgcs.tel  
**Line Count:** 77  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION L  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 STATE 258169  
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**Review Authority:** GolinoFR  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** BRIBERY OF FOREIGN OFFICIALS BY U.S. FIRMS OPERATING ABROAD  
**TAGS:** BGEN, PFOR, PINR, CZ, US  
**To:** STATE  
**Type:** TE  
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